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Programme budget for the biennium 1998–1999

The situation in Central America: procedures for the establishment of a firm and lasting peace and progress in fashioning a region of peace, freedom, democracy and development

United Nations Verification Mission in Guatemala: performance report for the period 1 January to 31 December 1998

Programme budget implications of draft resolution A/53/L.20

Report of the Fifth Committee

Rapporteur: Mr. Tammam **Sulaiman** (Syrian Arab Republic)

1. At its 33rd meeting, on 23 November 1998, the Fifth Committee, pursuant to rule 153 of the rules of procedure of the General Assembly, considered the statement by the Secretary-General (A/C.5/53/32 and Corr.1) of the programme budget implications of draft resolution A/53/L.20. It also considered the performance report of the United Nations Verification Mission in Guatemala for the period from 1 January to 31 December 1998 (A/C.5/53/25 and Corr.1) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/53/674).

2. Statements and comments made in the course of the Committee's consideration of the item are reflected in the relevant summary record (A/C.5/53/SR.33).

Decision of the Fifth Committee

3. The Fifth Committee decided to recommend that the General Assembly take note of the performance report of the United Nations Verification Mission in Guatemala for the period from 1 January to 31 December 1998 and to inform it that, should it adopt draft resolution A/53/L.20, an additional appropriation of $22,640,800 would be required under

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section 3, Peacekeeping operations and special missions, of the programme budget for the biennium 1998–1999. An additional appropriation of $2,465,700 would also be required under section 32, Staff assessment, to be offset by a corresponding amount under income section 1, Income from staff assessment.

United Nations A/53/700

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United Nations Fund for International Partnerships

Report of the Secretary-General

Summary

During the fifty-second session of the General Assembly, the Fifth Committee discussed on 23 March 1998 the question of the United Nations International Partnership Trust Fund (subsequently renamed "United Nations Fund for International Partnerships"). The Committee had before it the report of the Advisory Committee on Administrative and Budgetary Questions on the Trust Fund (A/52/7/Add.9).

Based on its deliberations, the Assembly adopted decision 52/466 of 31 March 1998, in which it took note of the above-mentioned report and requested the Secretary-General, taking into account the comments made in the Fifth Committee (see A/C.5/52/SR.55), to report to it on a regular basis on the activities of the Trust Fund and other related matters. The present report is submitted in response to that request. It describes the establishment of the Fund, the agreement between the United Nations and the United Nations Foundation, Inc., and the establishment of the Fund's Advisory Board, as well as projects approved for funding by the Foundation as of mid-September 1998.

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I. Introduction

1. On 18 September 1997, Mr. Robert Edward Turner III, Co-Chairman of Time Warner, Inc., announced his intention to make a generous and historic gift in support of United Nations causes. Mr. Turner's planned gift would not exceed 18 million shares of Time Warner stock, which on the date of the announcement had a value of $1 billion. From this stock, Mr. Turner intended to make 10 annual gifts valued at approximately $100 million each or cash totalling the same amount, up to $1 billion.

2. The Secretary-General warmly welcomed this extraordinary gift, which would be drawn upon to assist and support the United Nations in achieving the goals and objectives of the Charter of the United Nations through programmes and projects the United Nations would undertake. The gift is intended to represent a new and additional financial resource that would supplement the regular, assessed or voluntary-funded programmes of the United Nations. Funding contributions are made through the United Nations Foundation, Inc., a public charity established by Mr. Turner in early 1998.

II. Establishment of the United Nations Fund for International Partnerships

3. Following Mr. Turner's announcement, discussions between the United Nations and Mr. Turner's representatives began concerning the arrangements that would be required for programming the planned gift over a 10-year period. This important initial series of negotiations produced what came to be known as a "concept paper" on Mr. Turner's gift that the Secretary-General made available to the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in a letter dated 30 January 1998 (A/52/7/Add.9, sect. A). In that letter, the Secretary-General outlined his reasons for planning to establish a trust fund — the United Nations International Partnership Trust Fund[1] — to coordinate, channel and monitor contributions from the United Nations Foundation, Inc., to be headed by an Executive Director at the level of Assistant Secretary-General who would report directly to the Secretary-General.

4. Subsequent to ACABQ consideration of the Secretary-General's January 1998 letter together with the concept paper, the Chairman of the Advisory Committee addressed a letter dated 12 February 1998 to the Secretary-General on the subject (A/52/7/Add.9, sect. B). Among the issues raised in that communication, a number of requests were made by the Chairman on behalf of the Committee, namely, that the text of the relationship agreement between the Foundation and the United Nations, which was in the process of being finalized, be made available to the Committee before it was signed; that staffing information, including job descriptions, be provided to the Committee, together with a complete administrative budget for the Trust Fund; and that all subsequent administrative budgets also be submitted to ACABQ for its prior concurrence on an annual basis. The Committee also requested that the budget be accompanied by appropriate information on the substantive activities of the Trust Fund.

5. Concerning the level of the post of the Executive Director of the United Nations Fund for International Partnerships (UNFIP), the Advisory Committee concurred with the Secretary-General's proposal that the post be at the Assistant Secretary-General level, with the proviso that that level would be subject to review for the period after 31 December 1999 in the context of the Committee's examination of the administrative budget of the Trust Fund for the year 2000.

6. On 1 March 1998, the Secretary-General established UNFIP as an autonomous Trust Fund to interface with the United Nations Foundation, Inc. UNFIP is designed as a small operation, and is headed by an Executive Director who reports to the Secretary-General. In addition to the Assistant Secretary-General, the staffing of the Trust Fund office consists of one Director-level official, six Professionals and five General Service staff.

7. Member States are advised that at its May session, ACABQ considered the administrative budget of UNFIP for the period 1 March to 31 December 1998. The Committee also considered the draft relationship agreement between the United Nations and the United Nations Foundation, Inc. During its deliberations on UNFIP, the Committee met with representatives of the Secretary-General, who provided additional information, as required.

8. Regarding the question of posts, ACABQ was informed that recruitment for all the posts envisaged would be in accordance with normal United Nations procedures. It was the understanding of the Committee that a number of staff were already on board and that their costs, currently borne by the United Nations, would be reimbursed from the Trust Fund. The Advisory Committee was also informed that the Director-level post (D-2) envisaged within UNFIP was to be funded by the United Nations Development Group. The Committee questioned the arrangement by which this particular post would be funded, and requested the Secretary-General to review the matter and provide

additional clarifications to the Committee when it would take up the matter at its next session. ACABQ also recalled that it intended to review the level of the post of the Executive Director of the Trust Fund at a future date.

9. With respect to the draft relationship agreement between the United Nations and the Foundation, ACABQ noted that no specific amount or pledge was mentioned in the agreement. However, the Foundation would provide an advance of $500,000 at the beginning of each calendar year against the administrative costs of UNFIP and a further advance amount to be mutually agreed upon, which would be provided at the beginning of the second half of each year. Given that a standard 15 per cent operating reserve (which would normally have generated interest and partially defrayed administrative costs) was not envisaged for the Trust Fund, the Advisory Committee cautioned that every effort should be made to ensure that a steady and dependable cash flow is maintained.

10. ACABQ noted that within the draft agreement, the ceiling for project support costs was set at 6 per cent. The Advisory Committee was informed that of that amount, 1 per cent would cover administrative costs of UNFIP and 5 per cent for the implementing agencies. The Advisory Committee also noted that the draft agreement did allow for some negotiation of those costs. ACABQ pointed out that project support costs have been known to range from 5 to more than 18 per cent, based on the requirements of each individual project, as well as the policies set by each executing agency and approved by its legislative body. Although the Committee appreciated the effort to limit the level of support costs, it trusted that existing policies, as well as the practical needs of the executing agencies, would be taken fully into account. The Committee recalled its suggestion in its February 1998 letter to the Secretary-General that each project document should clearly indicate the backstopping costs associated with the implementation of the activity concerned.

11. The Advisory Committee noted from the draft agreement that UNFIP would be administered in accordance with the Financial Regulations and Rules of the United Nations. The Committee also noted that the draft text referred to the fact that audit would be conducted in accordance with those same Regulations and Rules. It was the Committee's understanding that an audit of the Trust Fund would be carried out by the Board of Auditors in the normal course of the Board's overall audit of all trust funds, and that no separate audit would be undertaken for this Fund. Specifically, with respect to the reporting mechanism outlined in the draft agreement, the Advisory Committee recommended that every effort be made to avoid too cumbersome a reporting mechanism and to minimize resources for that purpose.

12. The Committee stressed that it is important to maintain with absolute clarity the principle that the United Nations cannot in any way, either directly or through implication, be subject to the requirements of national law. Accordingly, it requested that a specific paragraph of the draft agreement be renegotiated, and provided the language that the Committee felt should be reflected in the final version of the agreement. The General Assembly may wish to note that that change was subsequently introduced to the text of the agreement between the United Nations and the Foundation. Details of the final version of the relationship agreement are provided below.

III. Relationship agreement between the United Nations and the United Nations Foundation, Inc.

13. The agreement between the United Nations and the United Nations Foundation, Inc. was signed at United Nations Headquarters on 12 June 1998. This critical document evolved from the original concept paper referred to in paragraph 3 above; it delineates the responsibilities of the United Nations, in particular UNFIP, and of the Foundation in this important and historic joint effort. The agreement describes, among other things, the role of UNFIP and its relationship with the United Nations Foundation, Inc.; the steps involved in the identification of projects and activities to be funded; the handling of contributions by the Foundation; and the reporting requirements involved in the monitoring and implementation of projects and activities. The agreement also refers to such issues as fund-raising, the use of the name and official emblem of the United Nations, the status of the parties to the agreement, the resolution of disputes, the privileges and immunities of the United Nations in relation to the agreement, and the term of the agreement. The text of the agreement is contained in annex I.

IV. Advisory Board of the Fund

14. In accordance with the relevant sections of the agreement between the United Nations and the United Nations Foundation, Inc., as well as the earlier concept paper concerning the gift of Mr. Turner, the Secretary-General established an advisory board to assist him in his review of proposals received by UNFIP for funding by the Foundation.

15. Unless otherwise decided by the Secretary-General, the UNFIP Advisory Board is responsible for the following functions:

(a) To provide broad policy guidance to the Secretary-General and monitoring of the operations and activities of UNFIP;

(b) To advise the Secretary-General in the review of project proposals, particularly with regard to the appropriateness of the projects to be proposed by the United Nations to the Foundation for funding and support, as well as the capacity and capability of the United Nations system to deliver the outputs and results proposed in such project proposals. In this regard, the Advisory Board shall:

(i) Assist the Secretary-General in such review in the light of criteria established by the United Nations and the Foundation for approval of such project proposals, such as urgency, effectiveness, innovation, forward-looking orientation and availability of funding from other sources;

(ii) Consider unity of focus and technical compliance with United Nations aims and objectives;

(iii) Assist UNFIP in ensuring that project proposals to be funded and supported by the Foundation are in conformity with the goals, policies, aims and objectives of the United Nations, in particular with the goals and objectives of the Agenda for Development and recent United Nations global conferences, and that they take full account of programming mechanisms, such as national development plans and priorities, country strategy notes and United Nations Development Assistance Frameworks;

(iv) Ensure that project proposals to be funded and supported by the Foundation are in conformity with the orientation of the Secretary-General's reform programme;

(c) To contribute to identifying projects and activities that are suitable to be funded and supported by the Foundation, based on new developments and factors that may arise from time to time.

The Secretary-General, having received the advice of the Advisory Board, decides on projects and activities to be proposed to the Foundation for funding and support.

16. The Members of the Advisory Board, including ex officio members, are appointed by the Secretary-General and serve for a term of two years following their appointment, unless otherwise decided by the Secretary-General. The Executive Director of UNFIP serves on the Advisory Board as an ex officio member.

17. The Advisory Board is chaired by the Deputy Secretary-General, and is composed of 10 other members, who serve in their personal capacity. The following members have been appointed by the Secretary-General for the period 1998 to 2000: Ambassador Bagher Asadi, Chairman of the Second Committee of the General Assembly;[2] Dr. Lincoln C. Chen, Vice-President, the Rockefeller Foundation; Mr. Joseph E. Connor, Under-Secretary-General for Management, United Nations; Mr. Nitin Desai, Under-Secretary-General for Economic and Social Affairs, United Nations; Mr. Richard Jolly, Special Adviser to the Administrator of the United Nations Development Programme; Ms. Mary Oakes Smith, Manager, Africa Region, the World Bank; Ambassador Juan Somavia, President of the Economic and Social Council;[2] Mr. Franklin A. Thomas, Head of the Ford Foundation Study Group; Mr. Sergio Vieira de Mello, Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, United Nations; and Mr. Miles Stoby (ex officio), Executive Director of UNFIP, United Nations.

18. To date, the UNFIP Advisory Board has held four meetings (27 April, 10 July, 1 September and 19 October 1998).

V. Funding rounds

19. Since the establishment of UNFIP on 1 March 1998, two funding rounds have been completed, in May and September 1998, with the third funding round expected to reach completion in January 1999. As of mid-September 1998, a total of 39 projects in the amount of some $55 million and involving 14 individual United Nations entities, including United Nations funds and programmes and specialized agencies, have been approved for funding by the United Nations Foundation, Inc. A breakdown of approved projects by theme, region and agency is contained in annex II. The projects respond to the broad thematic areas identified to date by the Foundation: women and population; environment; children's health; and other priorities, including institutional strengthening. This portfolio of approved project assistance is distributed across five geographic regions — Africa, Asia and the Pacific, Latin America and the Caribbean, the Middle East, and Europe and the Commonwealth of Independent States countries. The projects are both Headquarters generated, with multi-country implications, and generated from programme countries directly.

First funding round

20. Both the Foundation and UNFIP were established after the first solicitation for project proposals was sent out by the United Nations Secretariat in late November 1997. Such invitations had been restricted to United Nations departments, funds and programmes, and were based on broad criteria calling for innovative, proactive and forward-looking project submissions. At the time, there had not been the benefit of an entity comparable to UNFIP that could signal to interested United Nations organizations what the specific priority thematic areas of interest to the Foundation were or that could provide guidance in that funding effort. The initial solicitation for projects for the first tranche of 1998 resulted in the receipt by the Secretariat of 99 requests in the form of executive summaries amounting to approximately $240 million. Of those, 28 were selected from a culled list as generally corresponding to the Foundation's programme priorities and the mandates of the United Nations system for submission to the UNFIP Advisory Board. On 20 May 1998, the Foundation announced its approval of 22 of the projects, totalling $22.2 million, distributed along the following thematic percentage lines: women and population (42 per cent), children's health (30 per cent), other areas (22 per cent) and environment/climate change (6 per cent).

Second funding round

21. In preparation for the second tranche of 1998, the Foundation/UNFIP guidelines and selection criteria for project proposals were further refined, and UNFIP introduced a "concept review" stage, whereby the UNFIP secretariat initially solicited project concepts, rather than fully fledged proposals. In the case of meritorious project concepts, relevant United Nations organizations would then be invited to provide duly completed project request forms (PRFs). In addition, the United Nations system at large was approached and not only United Nations departments, programmes and funds. This process resulted in the receipt of 242 project concepts from 37 United Nations departments, funds, programmes and specialized agencies. This array of concepts was subsequently culled, and fully fledged PRFs were requested by the UNFIP secretariat for 30 project proposals from 17 United Nations funds, programmes and agencies. Of these, 27 were endorsed by the UNFIP Advisory Board for consideration by the Foundation. On 24 September 1998, the Foundation announced its approval of grants totalling $32.9 million for 17 projects involving 11 United Nations organizations, distributed along the following thematic percentage lines: children's health (43 per cent), women and population (28 per cent), environment/climate change (16 per cent) and other areas (13 per cent).

Third funding round

22. With respect to the third tranche, the UNFIP secretariat solicited project concepts from the United Nations system and received a total of 189 concept papers as of 1 September 1998. From the culled list of such project concepts, UNFIP recommended to its Advisory Board that 46 concept papers submitted by 16 United Nations departments, funds, programmes and specialized agencies would merit development as PRFs for review by the Board at its meeting in early December 1998. The final decision on project approval on the part of the Board of Directors of the Foundation will be made at their next meeting, scheduled for the second half of January 1999.

23. Concerning future funding considerations beyond this first year of activity and anticipated annual funding levels, the United Nations Foundation, Inc. expects to award approximately $80 million per year to programmes meeting its funding criteria. Approximately $96 million a year of new programming is expected to be developed annually (120 per cent of the award target) to ensure $80 million worth of successful projects.

VI. Conclusion

24. As of September 1998, eight months have transpired since the establishment by the Secretary-General of the United Nations Fund for International Partnerships (UNFIP). Within a short period of time, a significant amount of work has been accomplished at a remarkable pace by UNFIP, collaborating closely with the Foundation. In those few months of existence, the relationship agreement between the United Nations and the Foundation has been negotiated and concluded. A small, carefully selected group of Professional and supporting staff has been assembled to carry out within an extraordinarily finite time-frame an impressive body of work that will probably amount to a net worth of $80 million of United Nations projects worldwide by the time that the first year of operation has come to an end. As mentioned above, two funding rounds have been successfully completed, with the third round expected to conclude in January 1999. To date, over 520 proposals have been received and analysed by the UNFIP secretariat, 55 full project proposals have been recommended for funding by the Secretary-General and his Advisory Board, and a total of 39 projects in the amount of some $55 million has been ultimately approved by the Foundation. An Advisory Board

has been put in place and four meetings have been organized. The active and dedicated Advisory Board has played a very important and critical role in advising the Secretary-General and guiding the UNFIP secretariat in this unique venture.

Notes

[1] The name of the Trust Fund was subsequently modified to "United Nations Fund for International Partnerships".

[2] The General Assembly may wish to note that since members of the Advisory Board serve in their personal capacity, by definition the individuals appointed as Chairman of the Second Committee of the General Assembly and as President of the Economic and Social Council will serve for a period less than the two-year period of the other Board members. In the case of the Chairman of the Second Committee, for example, Ambassador Oscar de Rojas served on the Secretary-General's Board while Chairman during the fifty-second session of the General Assembly; the current Chairman is Ambassador Bagher Asadi, who will therefore serve on the Board until the completion of his term as Chairman of the Committee during the fifty-third session of the Assembly. Similarly, once the new President of the Economic and Social Council for 1999 is elected, that individual will replace Ambassador Juan Somavia on the Advisory Board.

Annex

Agreement between the United Nations and the United Nations Foundation, Inc.

AGREEMENT between the UNITED NATIONS, an international intergovernmental organization founded by its Member States pursuant to the Charter of the United Nations signed in San Francisco on 26 June 1945 and having its Headquarters in New York, New York, USA, and the UNITED NATIONS FOUNDATION, INC. (hereinafter "the Foundation"), a not-for-profit corporation organized under the laws of the State of New York of the United States of America, and having offices located in Washington, D.C. and New York, New York.

WHEREAS, one of the main goals and objectives of the United Nations is to achieve international cooperation in solving international problems of a developmental, humanitarian and environmental character;

WHEREAS, in furtherance of this goal and objective, the Foundation desires to provide financial and other support to exclusively charitable United Nations projects and activities consistent with the goals and objectives of United Nations and relevant United States laws and regulations; and

WHEREAS, the United Nations and the Foundation desire to cooperate in regard to activities of the Foundation and the United Nations for these purposes.

NOW THEREFORE, the parties agree as follows:

I. PURPOSE

1. **Mutual Cooperation**

The United Nations and the Foundation agree to work together to achieve the goals and objectives of the Charter of the United Nations through implementation of innovative, forward-looking and pro-active projects and activities that make contributions to the collective future and well-being of the planet.

2. **Funding from the Foundation**

(a) Subject to the terms and provisions of this Agreement, the Foundation will: (i) provide grants to the United Nations to assist and support the United Nations in achieving the goals and objectives of the Charter of the United Nations; (ii) undertake fund raising in support of United Nations projects and activities; and (iii) otherwise engage in or provide financial support to projects and activities designed to increase public awareness and support for the United Nations. The United Nations and the Foundation understand that funds received by the United Nations from the Foundation are intended to supplement the regular, assessed or voluntary funded programmes of the United Nations, its departments, funds, programmes and specialized agencies.

(b) The term grant as used in this Agreement shall mean voluntary contributions, gifts or donations for a particular purpose, activity or project, as approved by the Foundation pursuant to this Agreement.

II. TRUST FUND

3. The United Nations agrees to establish the United Nations Fund for International Partnerships (hereinafter "UNFIP"), with the Secretary-General as Chief Executive Officer, which, unless otherwise agreed, is to receive grants exclusively from the Foundation. UNFIP is to provide a central mechanism to facilitate the organization, execution, monitoring and reporting for projects and activities funded by the Foundation. The mechanism will bring together project funding opportunities from the complex and diverse United Nations system, in accordance with the goals, objectives and programme priorities of the Foundation. Towards these ends, the parties agree that UNFIP will provide a central administrative vehicle within the United Nations for working with the Foundation to identify and select projects and activities, receive and distribute funds for such projects and activities, and monitor and report on the use of such funds. It is also understood that UNFIP will have responsibility for final project formulation. UNFIP will be administered in accordance with the Financial Regulations and Rules of the United Nations.

4. Working with the Foundation, UNFIP will ensure the formulation of a coherent programme for the projects and activities to be recommended for funding by the Foundation, and will provide unity of focus, reporting and streamlining of efforts and agility in responding to the pressing needs of the international community. It is understood that in conducting their work, UNFIP and the Foundation will regularly consult each other.

5. UNFIP and the activities and projects financed through UNFIP and expenditures for such projects and activities shall be subject to the regulations, rules and directives of the United Nations, as appropriate. The Foundation, as a not-for-profit corporation organized under the laws of the State of New York of the United States of America, is subject to and governed by the requirements of United States domestic laws and regulations, applicable to the Foundation's operations and grants.

6. UNFIP will seek to ensure that projects proposed to the Foundation for funding are in conformity with the Foundation's strategic objectives and take into account the goals and objectives of the Agenda for Development and recent United Nations global conferences and such other matters such as national development plans and priorities, country strategy notes and the United Nations development assistance frameworks.

III. IDENTIFICATION OF PROJECTS AND ACTIVITIES TO BE FUNDED

7. The parties agree that:

   (a) The Foundation will be informed periodically and at least once a year by the Secretary-General on the range of opportunities for funding. The information will be illustrative of the scope and nature of the projects and activities of the United Nations, its departments, funds, programmes and specialized agencies, and will focus on the programme priorities identified by the Foundation.

   (b) The Foundation, at the Foundation's expense, may supplement the Secretary-General's information with field visits to United Nations components, coordinated with UNFIP, to gain first-hand knowledge of needs and capabilities.

   (c) The Foundation, in consultation with UNFIP, will prepare periodic strategy documents indicating the range of interests, projects and activities the Foundation wishes to fund, which is to form the basis for consideration of project submissions. It is understood

that the Foundation will have responsibility for final formulation of its programme priorities.

(d) The Secretary-General will invite project submissions from United Nations departments, funds, programmes and specialized agencies, involving, as appropriate, implementing partners (which may include NGOs) to respond to the programme priorities identified by the Foundation.

(e) UNFIP and the Foundation will work together in programme development consistent with the priorities set by the Secretary-General and the Foundation.

(f) The Foundation and UNFIP may identify new projects and activities at any time based on new developments.

8. (a) On behalf of the Secretary-General, the Executive Director of UNFIP will review and evaluate all proposals, on a quarterly basis unless otherwise mutually agreed.

(b) Based on this assessment, a consolidated project planning document of all proposed projects will be prepared for the Secretary-General who will determine the appropriateness of the projects to be proposed to the Foundation and the capacity and capability of the UN system to deliver on these projects.

(c) Proposals will be reviewed in the light of criteria such as urgency, efficiency, effectiveness, innovation, involvement of civil society, forward-looking orientation and availability of funding from other sources.

9. An Advisory Board will be established to assist the Secretary-General in the review of proposals received by UNFIP.

10. The Secretary-General, having received the advice of the Advisory Board, will decide on projects and activities to be submitted to the Foundation for consideration. In submitting projects and activities to the Foundation, the Secretary-General will provide supporting documentation as necessary and appropriate.

11. The Foundation will review these proposed projects and activities for responsiveness to its goals and objectives. The Secretary-General, or the Secretary-General's designated representative, and programme managers would be available, as appropriate, for discussion with the Foundation, which can include discussion of the consolidated project planning document.

12. The Foundation will make the decisions as to whether or not to proceed with approval of proposed projects or activities. Following a decision by the Foundation to approve a proposed project or activity, UNFIP, upon receipt of funding, will authorize the commencement of project execution and implementation as provided in project documents for each approved project and activity.

IV. CONTRIBUTIONS BY THE FOUNDATION

13. Grants from the Foundation will be channelled through UNFIP and disbursed to the United Nations departments, funds, programmes and specialized agencies as well as implementing partners (which may include NGOs) in accordance with project documents, approved policies and procedures, and this Agreement.

14. As may be agreed from time to time by the parties, all grants provided by the Foundation to the United Nations shall be in the form of cash, denominated in the currency of the United States of America or in the form of stock or other financial instruments denominated in such currency. Unless otherwise agreed by the parties, an appropriate portion of any such stock

or other financial instrument shall be used to defray the actual costs and expenses of the United Nations associated with any receipt or conversion of such stock or financial instrument into currency of the United States of America.

15. UNFIP will develop a rolling cash flow forecast, on a quarterly basis unless otherwise agreed, based on the projects and activities approved by the Foundation for funding through UNFIP. This cash flow forecast will form the basis for quarterly payments by the Foundation, with the understanding that these payments will not exceed the annual maximum amount of all grants approved by the Foundation for all projects or activities funded through UNFIP.

16. The parties agree that reasonable identified administrative costs for the administration of UNFIP will be reimbursed by the Foundation which, unless otherwise agreed, will not exceed one per cent (1%) of the amounts channelled through UNFIP by the Foundation. The Foundation will provide an advance of $500,000 at the beginning of each calendar year against the expected administrative costs of UNFIP. A further advance amount to be mutually agreed upon will be provided at the beginning of the second half of the year. Both of these payments will be within the foregoing percentage limitation and adjusted after the conclusion of the year. The parties further agree that these administrative costs are exclusive of the project support costs normally associated with each individual project or activity submitted for consideration by the Foundation which, unless otherwise agreed, are not to exceed six per cent (6%) of the total funding approved for each project or activity.

V. MONITORING AND IMPLEMENTATION: REPORTING REQUIREMENTS

17. The Secretary-General will report regularly regarding the activities of UNFIP.

18. UNFIP shall be responsible for monitoring and reporting to the Foundation on the progress of projects and activities funded by the Foundation, including the use and application of grants received from the Foundation in regard to such projects and activities.

19. The Secretary-General will present to the Foundation a comprehensive annual report on the status of implementation of the projects and activities funded by the Foundation to ensure that project goals and objectives are attained. The reports, which will be subject to audit conducted in accordance with UN Financial Regulations and Rules, will contain financial and substantive performance data for each individual project and activity approved for funding to enable the United Nations and the Foundation to follow progress on outputs and outcomes in order to determine the efficiency and effectiveness of projects and activities, which in turn will facilitate making recommendations for change, if necessary or appropriate.

20. The Foundation will be provided with reports in prescribed formats (which formats, may be modified from time to time as mutually agreed by the parties) on a semi-annual basis which will inform the Foundation currently as to progress being made in project execution, which in turn will facilitate making recommendations for change, if necessary or appropriate.

21. The Foundation shall have the right to monitor and evaluate the progress and implementation of projects and activities funded by the Foundation. Monitoring may include field visits by the Foundation at its own expense, arranged in coordination with UNFIP, to observe such projects and activities and to hold discussions with personnel connected with those projects and activities.

22. The Secretary-General, or the Secretary-General's representative, will assist the Foundation, as appropriate, in developing annual and other periodic reports. Consistent with its status as an international organization, the United Nations will assist in the Foundation's efforts

to obtain information needed on a timely basis by the Foundation to meet U.S. governmental and legal regulatory requirements affecting the Foundation.

23. The Foundation shall provide annual financial statements to the United Nations certified by the Foundation's independent auditors, as well as any reports that the Foundation is required to submit under United States laws and regulations.

24. The United Nations and the Foundation acknowledge that project accountability and compliance with laws, rules, regulations and directives, as applicable to each party, is necessary for successful implementation and operations under this Agreement. Accordingly, the United Nations and the Foundation agree to cooperate in implementing and monitoring project oversight and evaluation procedures and policies to provide full and accurate accountability and compliance with project documents for approved projects and activities and to comply with laws, rules, regulations and directives which may be applicable to each party.

VI. FUNDRAISING

25. The parties agree to work together to plan and promote fundraising and other activities to be carried out by the Foundation, its officers, and employees in furtherance of this Agreement. Such efforts shall be conducted in a manner that respects the dignity, international character and status of the United Nations. Due care will be taken to avoid confusion in the minds of contributors between the activities of the Foundation and the activities of other charitable entities in which the officers and employees of the Foundation may be involved.

VII. USE OF NAME AND OFFICIAL EMBLEM OF THE UNITED NATIONS

26. Except as has already been provided in regard to the Articles of Incorporation filed by the Foundation with the New York Department of State (Annex 1)* and as provided herein, the Foundation shall not use the name of the United Nations, or any abbreviation thereof, or the emblem of the United Nations, or a modification thereof, for any purposes whatsoever without the prior written approval of the United Nations. Any use of the name or emblem of the United Nations shall be solely as approved by the United Nations in accordance with this Agreement.

27. In addition to the use of the United Nations name as provided under its Articles of Incorporation, the Foundation is authorized to use the United Nations name, as incorporated in the name of the Foundation as set out in Annex 2,* on its stationery and publications or other communications with the public.

28. The Foundation shall refrain from any action which may adversely affect the United Nations or its interests. To this end, and except as otherwise provided, the Foundation will seek the approval of the United Nations regarding the use of the name and emblem of the United Nations, particularly in regard to activities by for-profit entities involving support for or sponsorship of the activities of the Foundation or of the United Nations.

* The annexes to the agreement are available for consultation in the files of the Secretariat.

VIII. STATUS OF PARTIES

29. The parties hereby acknowledge and agree that the Foundation is an entity established under United States law and separate and distinct from the United Nations and that it shall not be considered, for any purposes whatsoever, as having a legal status connected with or dependent upon the United Nations. The personnel, agents or contractors of the Foundation shall not be considered in any respect or for any purposes whatsoever as being the employees or agents of the United Nations, nor shall any personnel, representatives or other affiliates of the United Nations be considered, for any purposes whatsoever, as being employees or agents of the Foundation.

IX. REVIEW OF ARRANGEMENTS

30. The parties agree that they will periodically review operations and activities under this Agreement.

X. RESOLUTION OF DISPUTES

31. (a) The parties, acting through their authorized representatives, shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Agreement.

(b) Where the parties wish to seek such an amicable settlement through conciliation, such conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.

(c) If a dispute, controversy or claim between the parties arising out of or relating to this Agreement or the breach, termination or invalidity thereof has not otherwise been settled amicably within sixty (60) days after receipt by one party of the other party's request for such amicable settlement, including any request for conciliation, either party may at any time thereafter refer such dispute, controversy or claim to arbitration before a tribunal of three arbitrators in accordance with the UNCITRAL Arbitration Rules then obtaining, provided that:

(i) The appointing authority under Article 7 of those Rules shall be the International Chamber of Commerce (ICC), acting in accordance with the rules adopted by the ICC for this purpose.

(ii) The arbitration proceeding shall be held in the City of New York, State of New York, U.S.A., and the English language shall be used in the proceedings.

(iii) Disputes relating to the interpretation and construction of this Agreement are to be adjudicated on the basis of generally accepted principles of international law including the UNIDROIT Principles of International Commercial Contracts and, as relevant and appropriate, principles of contract interpretation and construction of New York and United States law.

(iv) The term "charitable" shall be defined in accordance with the relevant laws and regulations of the United States, as in effect from time to time.

(d) The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

XI. PRIVILEGES AND IMMUNITIES

32. Nothing in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its principal and subsidiary organs.

XII. TERM OF AGREEMENT

33. **Effective Date**: This Agreement shall become effective upon signature by authorized representatives of the parties hereto.

34. **Expiration**: Except as may otherwise be agreed by the parties by a written amendment to this Agreement, this Agreement shall apply until expiration on 31 December 2007, unless it is terminated sooner in accordance with the terms of the Agreement.

35. **Termination**: Either party may terminate this Agreement, for any reason whatsoever, by giving the other party not less than ninety (90) days' written notice of the intention to terminate this Agreement together with a proposal both for winding up such party's individual and both parties' mutual obligations under this Agreement as well as for providing any information, reports, documentation, financial statements or other materials as may be required under this Agreement in order to wind up the parties' obligations. In any event, unless otherwise agreed in writing, this Agreement will terminate, including specifically the authorizations contained in Article VII, upon the expiration of the 90 days period provided herein.

XIII. NOTICES

36. Any notice required to be given by either party under this Agreement shall be given in writing, shall be deemed given when actually received by the other party, and shall be conveyed via first class mail, postage prepaid, or via private courier, facsimile or electronic mail, as follows:

TO THE UNITED NATIONS:

THE UNITED NATIONS FUND FOR INTERNATIONAL PARTNERSHIPS
United Nations, DC-1, Rm. 1300
New York, New York 10017
Attn: Mr. Miles Stoby, Executive Director
Telecopier: (212) 963-1486
Telephone: (212) 963-5739

TO THE FOUNDATION:

UNITED NATIONS FOUNDATION, INC.
1301 Connecticut Avenue, N.W. Suite 700
Washington, D.C. 20036
Attn: Mr. Timothy Wirth, President
Telecopier: (202) 887-9021
Telephone: (202) 887-9040

with a copy, if related to a dispute, to:

J. RUTHERFORD SEYDEL, II, ESQ.
LAWSON, DAVIS, PICKREN & SEYDEL, LLP
2500 Marquis Two Tower
285 Peachtree Center Avenue
Atlanta, Georgia 30303
Telecopier: (404) 588-0137
Telephone: (404) 588-0505

or to such changed address as either party may subsequently specify by written notice to the other.

37. This Agreement supersedes all inconsistent prior drafts, understandings or communications, oral or written, relating to the subject matter herein.

IN WITNESS WHEREOF, the undersigned duly authorized representatives of the United Nations and the Foundation respectively, have signed the Agreement in two original copies, each in the English language.

Done in New York, on 12 June 1998.

FOR THE UNITED NATIONS
(*Signed*) Hans **Corell**
Under-Secretary-General
for Legal Affairs

FOR THE FOUNDATION
(*Signed*) Timothy **Wirth**
President

Annex II

Projects approved for funding by the United Nations Foundation, Inc.

Projects approved by the United Nations Foundation, Inc. as of mid-September 1998 are identified in the tables set out below, broken down by theme, region and agency.

Glossary of acronyms/abbreviations

Themes

EN	Environment
WP	Women/adolescents/population
CH	Children and preventive health
HH	Human rights/humanitarian

Regions

AF	Africa
AP	Asia and the Pacific
AS	Arab States
LAC	Latin America and the Caribbean
E/CIS	Europe and Commonwealth of Independent States countries

United Nations funds, programmes and agencies

UNCHS	United Nations Centre for Human Settlements
UNCTAD	United Nations Conference on Trade and Development
UNDCP	United Nations International Drug Control Programme
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
OHCHR	Office of the United Nations High Commissioner for Human Rights
WFP	World Food Programme
WHO	World Health Organization

PROJECTS APPROVED FOR FUNDING BY UNF - Tranches I and II					
Showing sub-totals by Theme					
No.	**Title**	**Agency**	**Region**	**Amount U.S.$**	**Theme**
	Environment				
FIP/G/98/027	Post-Kyoto Climate Change Policies in Developing Countries	UNDP	Global	900,000	EN
FIP/EP/98/001	Task Force on Environment and Human Settlements	UNEP	Global	173,000	EN
FIP/G/98/006	Youth Perspective into the 21st Century	UNEP	Global	350,000	EN
98/Sept/CHS/056	Managing Water for African Cities	UNCHS	AF	2,383,500	EN
98/Sept/IDO/162	Linking Technology Transfer with Emissions Trading	UNIDO	Global	1,000,000	EN
98/Sept/NEP/227	Reducing the Impact of Environmental Emergencies	UNEP	Global	650,000	EN
98/Sept/TAD/238	Launching a Plurilateral Greenhouse Gas Emissions Trading System	UNCTAD	Global	1,250,000	EN
	Sub-total			***6,706,500***	
	Women/Adolescents/Population				
FIP/IND/98/024	South Asia Poverty Alleviation Programme	UNDP	AP	950,000	WP
FIP/BF/98/022	Shea Butter Production - Burkina Faso	UNDP/UNIFEM	AF	480,000	WP
FIP/COM/98/010	Improving Reproductive Health in the Comoros Islands	UNFPA	AF	1,300,000	WP
FIP/LEB/98/011	Integration of Reproductive Health Services in Lebanon	UNFPA	AS	1,000,000	WP
FIP/G/98/012	Personalizing Population - Getting the Story Out	UNFPA	Global	300,000	WP
FIP/PHI/98/013	Gender-Responsive Quality Reproductive Health Care Services	UNFPA	AP	2,135,000	WP
FIP//BOL/98/008	Bilingual Literacy (Quechua-Spanish) for Reproductive Health	UNFPA	LAC	3,000,000	WP
FIP/HON/98/009	Prevention of Adolescent Pregnancies in Tegucigalpa	UNFPA	LAC	150,000	WP
98/Sept/FPA/072	NGO / Youth Forum / ICPD + 5 Forum	UNFPA	Global	1,100,000	WP
98/Sept/FPA/079	Reproductive and Sexual Health for Adolescents - a Three Country Approach	UNFPA	LAC	3,200,000	WP
98/Sept/WHO/098	Action-Oriented Research on FGM	WHO	AF	1,000,000	WP
98/Sept/CEF/172	Meeting the Development Rights of Adolescent Girls	UNICEF	Inter-regional	3,090,000	WP
98/Sept/NDP/221	Women Watch Virtual Networking to Strengthen Civil Society Participation in the Five-Year Review of Cairo and Beijing	UNDP/UNIFEM	Global	650,000	WP
98/Sept/NDP/200	Adolescents - Inter-Agency Project	UNDP	LAC	150,000	WP
98/Sept/HCR/139	Prevention and Response to Sexual Violence Against Refugee Women and Adolescent Girls in Sub-Saharan Africa	UNHCR	AF	1,656,165	WP
98/Sept/NDP/194	Trafficking in Women and Children in the Mekong Sub-region	UNDP	AP	2,315,000	WP
	Sub-total			***22,476,165***	

PROJECTS APPROVED FOR FUNDING BY UNF - Tranches I and II

Showing sub-totals by Theme

No.	Title	Agency	Region	Amount U.S.$	Theme
	Child and Preventive Health				
FIP/DCP/98/002	Building a Culture Against Drug Abuse	UNDCP	Global	150,000	CH
FIP/AF/98/015	Towards the Eradication of Guinea Worm	UNICEF	AF	2,892,000	CH
FIP/SRL/098/016	Nutrition and Household Food Security for Vulnerable Groups	UNICEF	AF	500,000	CH
FIP/NIG/98/019	Stopping Child Killers	UNICEF	AF	1,000,000	CH
FIP/INA/98/014	Saving Mothers Lives	UNICEF	AP	860,000	CH
FIP/VIE/98/017	Control of Intestinal Worms	UNICEF	AP	200,000	CH
98/Sept/WHO/097	Tobacco-Free Children and Youth	WHO	Global	2,800,000	CH
98/Sept/CEF/170	Prevention of mother-to-child transmission of HIV/AIDS in Africa and Southeast Asia	UNICEF	Inter-regional	3,090,000	CH
98/Sept/CEF/174	Towards the Eradication of Poliomyelitis	UNICEF	Inter-regional	3,090,000	CH
98/Sept/WHO/243	Global Health Leadership for the 21st Century	WHO	Global	5,175,000	CH
	Sub-total			***19,757,000***	
	Human Rights/Humanitarian				
FIP/BOS/98/020	Support to Mine Awareness and Mine Clearance Advocacy	UNDP	E/CIS	625,000	HH
FIP/G/98/021	Landmine Victim Assistance and Rehabilitation	UNDP	Global	2,000,000	HH
FIP/LAC/98/023	Reduction of Violence Against Women	UNDP/UNIFEM	LAC	950,000	HH
FIP/SRL/98/018	Demobilization of Child Soldiers in Sierra Leone	UNICEF	AF	1,100,000	HH
FIP/LAC/98/026	Establishment of Vulnerability Analysis Units	WFP	LAC	1,166,000	HH
98/Sept/CHR/229	ACT Project	OHCHR	Global	250,000	HH
	Sub-total			***6,091,000***	
	Grand total			***55,030,665***	

PROJECTS APPROVED FOR FUNDING BY UNF - Tranches I & II					
Showing sub-totals by Region					
Project ID	**Title**	**Agency**	**Region**	**Amount U.S.$**	**Theme**
98/Sept/CHR/229	ACT Project	OHCHR	Global	250,000	HH
98/Sept/TAD/238	Launching a Plurilateral Greenhouse Gas Emissions Trading System	UNCTAD	Global	1,250,000	EN
98/Sept/NDP/221	Women Watch Virtual Networking to Strengthen Civil Society Participation in the Five-Year Review of Cairo and Beijing	UNDP/UNIFEM	Global	650,000	WP
98/Sept/NEP/227	Reducing the Impact of Environmental Emergencies Through Early Warning and Preparedness - The Case of El Nino Southern Oscillation (ENSO)	UNEP	Global	650,000	EN
98/Sept/IDO/162	Linking Technology Transfer with Emissions Trading. A win win approach to the Kyoto Protocol	UNIDO	Global	1,000,000	EN
98/Sept/WHO/097	Tobacco-Free Children and Youth	WHO	Global	2,800,000	CH
98/Sept/WHO/243	Global Health Leadership for the 21st Century	WHO	Global	5,175,000	CH
98/Sept/FPA/072	NGO/Youth Forum/ICPD+5 Forum	UNFPA	Global	1,100,000	WP
FIP/DCP/98/002	Building a Culture Against Drug Abuse	UNDCP	Global	150,000	CH
FIP/G/98/021	Landmine Victim Assistance and Rehabilitation	UNDP	Global	2,000,000	HH
FIP/G/98/027	Post-Kyoto Climate Change Policies in Developing Countries	UNDP	Global	900,000	EN
FIP/EP/98/001	Task Force on Environment and Human Settlements	UNEP	Global	173,000	EN
FIP/G/98/006	Youth Perspective into the 21st Century	UNEP	Global	350,000	EN
FIP/G/98/012	Personalizing Population - Getting the Story Out	UNFPA	Global	300,000	WP
	Sub-Total			***16,748,000***	
98/Sept/CEF/174	Towards the Eradication of Poliomyelitis	UNICEF	Inter-regional	3,090,000	CH
98/Sept/CEF/170	Prevention of mother-to-child transmission of HIV/AIDS Africa and Southeast Asia	UNICEF	Inter-regional	3,090,000	CH
98/Sept/CEF/172	Meeting the Development Rights of Adolescent Girls	UNICEF	Inter-regional	3,090,000	WP
	Sub-total			***9,270,000***	
98/Sept/NDP/194	Trafficking in Women and Children in the Mekong Sub-region	UNDP	AP	2,315,000	WP
FIP/IND/98/024	South Asia Poverty Alleviation Programme	UNDP	AP	950,000	WP
FIP/PHI/98/013	Gender-Responsive Quality Reproductive Health Care Services	UNFPA	AP	2,135,000	WP
FIP/INA/98/014	Saving Mothers Lives	UNICEF	AP	860,000	CH
FIP/VIE/98/017	Control of Intestinal Worms	UNICEF	AP	200,000	CH
	Sub-total			***6,460,000***	

PROJECTS APPROVED FOR FUNDING BY UNF - Tranches I & II

Showing sub-totals by Region

Project ID	Title	Agency	Region	Amount U.S.$	Theme
98/Sept/CHS/056	Managing Water for African Cities	UNCHS	AF	2,383,500	EN
98/Sept/WHO/098	Action-Oriented Research on FGM	WHO	AF	1,000,000	WP
98/Sept/HCR/139	Prevention and Response to Sexual Violence Against Refugee Women and Adolescent Girls in Sub-Saharan Africa	UNHCR	AF	1,656,165	WP
FIP/BF/98/022	Shea Butter Production - Burkina Faso	UNDP/UNIFEM	AF	480,000	WP
FIP/COM/98/010	Improving Reproductive Health in the Comoros Islands	UNFPA	AF	1,300,000	WP
FIP/AF/98/015	Towards the Eradication of Guinea Worm	UNICEF	AF	2,892,000	CH
FIP/SRL/098/016	Nutrition and Household Food Security for Vulnerable Groups	UNICEF	AF	500,000	CH
FIP/SRL/98/018	Demobilization of Child Soldiers in Sierra Leone	UNICEF	AF	1,100,000	HH
FIP/NIG/98/019	Stopping Child Killers	UNICEF	AF	1,000,000	CH
	Sub-total			***12,311,665***	
98/Sept/NDP/200	Adolescents - Inter-Agency Project	UNDP	LAC	150,000	WP
98/Sept/FPA/079	Reproductive and Sexual health for Adolescents - a Three Country Approach	UNFPA	LAC	3,200,000	WP
FIP/LAC/98/023	Reduction of Violence Against Women	UNDP/UNIFEM	LAC	950,000	HH
FIP//BOL/98/008	Bilingual Literacy (Quechua-Spanish) for Reproductive Health	UNFPA	LAC	3,000,000	WP
FIP/HON/98/009	Prevention of Adolescent Pregnancies in Tegucigalpa	UNFPA	LAC	150,000	WP
FIP/LAC/98/026	Establishment of Vulnerability Analysis Units	WFP	LAC	1,166,000	HH
	Sub-total			***8,616,000***	
FIP/LEB/98/011	Integration of Reproductive Health Services in Lebanon	UNFPA	AS	1,000,000	WP
	Sub-total			***1,000,000***	
FIP/BOS/98/020	Support to Mine Awareness and Mine Clearance Advocacy	UNDP	E/CIS	625,000	HH
	Sub-total			***625,000***	
	Grand total			***55,030,665***	

PROJECTS APPROVED FOR FUNDING BY UNF - Tranches I and II					
Showing sub-totals by Agency					
Project ID	**Title**	**Agency**	**Region**	**Amount U.S.$**	**Theme**
98/Sept/CHS/056	Managing Water for African Cities	UNCHS	AF	2,383,500	EN
	Sub-total			***2,383,500***	
98/Sept/TAD/238	Launching a Plurilateral Greenhouse Gas Emissions Trading System	UNCTAD	Global	1,250,000	EN
	Sub-total			***1,250,000***	
FIP/DCP/98/002	Building a Culture Against Drug Abuse	UNDCP	Global	150,000	CH
	Sub-total			***150,000***	
98/Sept/NDP/194	Trafficking in Women and Children in the Mekong Sub-region	UNDP	AP	2,315,000	WP
98/Sept/NDP/200	Adolescents - Inter-Agency Project	UNDP	LAC	150,000	WP
98/Sept/NDP/221	Women Watch Virtual Networking to Strengthen Civil Society Participation in the Five-Year Review of Cairo and Beijing	UNDP/UNIFEM	Global	650,000	WP
FIP/IND/98/024	South Asia Poverty Alleviation Programme	UNDP	AP	950,000	WP
FIP/BOS/98/020	Support to Mine Awareness and Mine Clearance Advocacy	UNDP	E/CIS	625,000	HH
FIP/G/98/021	Landmine Victim Assistance and Rehabilitation	UNDP	Global	2,000,000	HH
FIP/G/98/027	Post-Kyoto Climate Change Policies in Developing Countries	UNDP	Global	900,000	EN
FIP/BF/98/022	Shea Butter Production - Burkina Faso	UNDP/UNIFEM	AF	480,000	WP
FIP/LAC/98/023	Reduction of Violence Against Women	UNDP/UNIFEM	LAC	950,000	HH
	Sub-total			***9,020,000***	
98/Sept/NEP/227	Reducing the Impact of Environmental Emergencies Through Early Warning and Preparedness - The Case of El Nino Southern Oscillation (ENSO)	UNEP	Global	650,000	EN
FIP/EP/98/001	Task Force on Environment and Human Settlements	UNEP	Global	173,000	EN
FIP/G/98/006	Youth Perspective into the 21st Century	UNEP	Global	350,000	EN
	Sub-total			***1,173,000***	
98/Sept/FPA/079	Reproductive and Sexual health for Adolescents - a Three Country Approach	UNFPA	LAC	3,200,000	WP
98/Sept/FPA/072	NGO/Youth Forum/ICPD+5 Forum	UNFPA	Global	1,100,000	WP
FIP/COM/98/010	Improving Reproductive Health in the Comoros Islands	UNFPA	AF	1,300,000	WP
FIP/PHI/98/013	Gender-Responsive Quality Reproductive Health Care Services	UNFPA	AP	2,135,000	WP
FIP/LEB/98/011	Integration of Reproductive Health Services in Lebanon	UNFPA	AS	1,000,000	WP
FIP/G/98/012	Personalizing Population - Getting the Story Out	UNFPA	Global	300,000	WP
FIP//BOL/98/008	Bilingual Literacy (Quechua-Spanish) for Reproductive Health	UNFPA	LAC	3,000,000	WP
FIP/HON/98/009	Prevention of Adolescent Pregnancies in Tegucigalpa	UNFPA	LAC	150,000	WP
	Sub-total			***12,185,000***	

PROJECTS APPROVED FOR FUNDING BY UNF - Tranches I and II					
Showing sub-totals by Agency					
Project ID	**Title**	**Agency**	**Region**	**Amount U.S.$**	**Theme**
98/Sept/HCR/139	Prevention and Response to Sexual Violence Against Refugee Women and Adolescent Girls in Sub-Saharan Africa	UNHCR	AF	1,656,165	WP
	Sub-total			***1,656,165***	
98/Sept/CEF/174	Towards the Eradication of Poliomyelitis	UNICEF	Inter-regional	3,090,000	CH
98/Sept/CEF/170	Prevention of mother-to-child transmission of HIV/AIDS Africa and Southeast Asia	UNICEF	Inter-regional	3,090,000	CH
98/Sept/CEF/172	Meeting the Development Rights of Adolescent Girls	UNICEF	Inter-regional	3,090,000	WP
FIP/AF/98/015	Towards the Eradication of Guinea Worm	UNICEF	AF	2,892,000	CH
FIP/SRL/098/016	Nutrition and Household Food Security for Vulnerable Groups	UNICEF	AF	500,000	CH
FIP/SRL/98/018	Demobilization of Child Soldiers in Sierra Leone	UNICEF	AF	1,100,000	CH
FIP/NIG/98/019	Stopping Child Killers	UNICEF	AF	1,000,000	CH
FIP/INA/98/014	Saving Mothers Lives	UNICEF	AP	860,000	CH
FIP/VIE/98/017	Control of Intestinal Worms	UNICEF	AP	*200,000*	CH
	Sub-total			***15,822,000***	
98/Sept/IDO/162	Linking Technology Transfer with Emissions Trading. A win win approach to the Kyoto Protocol	UNIDO	Global	1,000,000	EN
	Sub-total			***1,000,000***	
98/Sept/CHR/229	ACT Project	OHCHR	Global	250,000	HH
	Sub-total			***250,000***	
98/Sept/WHO/097	Tobacco-Free Children and Youth	WHO	Global	2,800,000	CH
98/Sept/WHO/243	Global Health Leadership for the 21st Century	WHO	Global	5,175,000	CH
98/Sept/WHO/098	Action-Oriented Research on FGM	WHO	AF	1,000,000	WP
	Sub-total			***8,975,000***	
FIP/LAC/98/026	Establishment of Vulnerability Analysis Units	WFP	LAC	1,166,000	HH
	Sub-total			***1,166,000***	
	Grand total			***55,030,665***	

United Nations A/53/701

General Assembly

Distr.: General
3 December 1998

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Fifty-third session
Agenda item 8
Adoption of the agenda and organization of work

Cooperation between the United Nations and the Agency for Cultural and Technical Cooperation

Note by the Secretary-General

1. On 10 November 1978, during its thirty-third session, the General Assembly adopted resolution 33/18 by which it invited the Agency for Cultural and Technical Co-operation, and organization of countries that use French as a common language, to participate in the sessions and work of the General Assembly and of its subsidiary organs in the capacity of observer. Further to that resolution, the Agency has maintained in New York an Office of the Permanent Observer to the United Nations.

2. On 16 October 1995, the General Assembly adopted resolution 50/3, entitled "Cooperation between the United Nations and the Agency for Cultural and Technical Cooperation". In that resolution, the Assembly noted with satisfaction the support expressed by the heads of State and Government of countries that use French as a common language for United Nations activities, and their desire to begin a new partnership with the institutions of the United Nations system. It invited the Secretary-General to promote cooperation between the United Nations Secretariat and that of the Agency and requested him to submit a report on the implementation of the resolution at its fifty-second session.

3. The requested report (A/52/299 and Add.1 and 2) was submitted on 27 August 1997 together with its annex, a cooperation agreement between the United Nations and the Agency for Cultural and Technical Cooperation, signed on 25 June 1997. Having considered the report, the General Assembly, by its resolution 52/2 of 17 October 1997, *inter alia*, commended the Agency for its continuing efforts to encourage multilateral cooperation among countries that use French as a common language, particularly in the areas of conflict prevention, strengthening of the rule of law, economic, social and cultural development and promotion of new information technologies, and welcomed the involvement of the countries that use French as a common language, through the Agency for Cultural and Technical Cooperation, in the United Nations activities, including the preparation for, conduct of and follow-up to world conferences organized under United Nations auspices.

4. At their Seventh Summit, held in Hanoi on 15 November 1997, the heads of State and Government of countries that use French as a common language decided that the Charter of the Agency for Cultural and Technical Cooperation needed to be revised in order to better promote la Francophonie's ideals of freedom and human rights, justice, democracy, development and progress. As a result of that decision, the Summit adopted the Charter of an International Organization of la Francophonie, which is attached to the present note (see annex). Pursuant to article 1 of the Charter, the Agency for Cultural and Technical Cooperation has become the Agency of the International Organization of la Francophonie. In accordance with articles 2 and 10 of the Charter, the Agency is the principal operator

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of the cultural, scientific, technical, economic and legal cooperation programmes decided upon by the Summit of the heads of State and Government of countries that use French as a common language, which is one of the main bodies of the International Organization of la Francophonie. The Agency also serves as the seat of the General Secretariat of the International Organization of la Francophonie and provides it with administrative support. Pursuant to article 17 of the Charter, the political offices of the Agency of the International Organization of la Francophonie in Brussels, Geneva and New York are incorporated into the General Secretariat of the latter.

5. By a letter dated 3 September 1998, Mr. Boutros Boutros-Ghali, the Secretary-General of the International Organization of la Francophonie, informed me that the International Organization of la Francophonie had assumed the rights and obligations of the Agency for Cultural and Technical Cooperation. He also informed me that, in the light of the aforementioned provisions of the Charter of the International Organization of la Francophonie, the Office of the Permanent Observer of the Agency for Cultural and Technical Cooperation to the United Nations had become the Office of the Permanent Observer of the International Organization of la Francophonie to the United Nations.

6. The above-mentioned change would imply that the International Organization of la Francophonie would assume the rights and responsibilities of the former Agency for Cultural and Technical Cooperation as an observer invited by the General Assembly in its resolution 38/18 to participate in the sessions and the work of the General Assembly and of its subsidiary organs.

7. The present note is submitted to the General Assembly for its consideration.

Annex

[Original: French]

Charter of la Francophonie

adopted by the Seventh Conference of heads of State and Government of countries that use French as a common language, held in Hanoi on 15 November 1997*

* The text includes the proposed amendments resulting from the conference of the heads of State and Government meeting on the occasion of the Seventh Summit in Hanoi, Viet Nam, on 15 November 1997.

Preamble

At the dawn of the twenty-first century, the world is experiencing profound political, economic, technological and cultural upheavals. To remain present and useful, la Francophonie must adapt to this historic change.

By adopting in Cotonou a francophone vision for the present day and the coming century, the heads of State and Government oriented la Francophonie towards the future, without denying a past which constitutes the platform on which a new Francophonie will be built. This history, thanks to which the world that uses French as a common language exists and develops, is owed to those many women and men who served as untiring militants for the francophone cause; it is owed to the many private and public organizations which for very many decades have been working to extend the influence of the French language and promote dialogue between cultures. It is owed to the Agency for Cultural and Technical Cooperation, the only intergovernmental organization of la Francophonie which, since 1970, has been engaging in original multilateral activities. This is why it is to become the Agency of la Francophonie.

In Cotonou, in December 1995, the time had come to give la Francophonie its full political dimension. The world context demands it, technological progress calls for it. The development of democracy in all countries makes it essential and the solidarity among the French-speaking peoples requires it. It is through the development and economic growth of the French-speaking countries that la Francophonie will command recognition in the world. The objectives pursued by the francophone vision were intended to permit this.

That is why, in Cotonou, the heads of State and Government decided to elect in Hanoi, in 1997, a Secretary-General who would be the keystone of the francophone institutional system. In addition, this institutional framework needed to be given the legal foundation which the bodies created by the Summits lack. The Charter of the Agency, which becomes the Charter of la Francophonie, provides, in accordance with the wish of the heads of State and Government, this legal foundation. The Charter thus needs to be revised in order that the francophone ideal, that of freedom and human rights, that of justice and solidarity, that of democracy, development and progress, may be perpetuated.

Title I: Objectives

Article 1: Objectives

La Francophonie, aware of the links created among its members by the fact that they use French as a common language and wishing to utilize them in the service of peace, cooperation and development, has as its objectives to assist in the establishment and development of democracy, the prevention of conflicts and support for the rule of law and for human rights, the intensification of dialogue between cultures and civilizations, the establishment of closer ties among peoples through mutual knowledge and strengthening of their solidarity through multilateral cooperation activities with a view to promoting the growth of their economies.

La Francophonie shall respect the sovereignty of States, their languages and their cultures. It shall observe the strictest neutrality in issues of domestic policy.

The institutions of the present Charter shall contribute in their respective areas to the attainment of these objectives and respect for these principles.

The Agency for Cultural and Technical Cooperation, established by the Niamey Convention, of 20 March 1970, shall be the Agency of la Francophonie.

Its Charter, as amended below, shall constitute the legal basis for the bodies and organs of the Conference of Heads of State and Government of the French-speaking Countries. It shall be the Charter of la Francophonie.

Title II: Institutional organization

Article 2: Institutions and operators

The institutions of la Francophonie shall be:

The bodies of la Francophonie:

The Heads of State and Government of the French-speaking countries, hereinafter referred to as "the Summit";

The Ministerial Conference of la Francophonie, hereinafter referred to as "the Ministerial Conference";

The Standing Council of la Francophonie, hereinafter referred to as "the Standing Council", presided over by the Secretary-General of la Francophonie;

The General Secretariat of la Francophonie;

The Agency of la Francophonie shall be the sole intergovernmental organization of la Francophonie. It shall be the principal operator of the programmes decided upon by the Summit;

The International Assembly of French-speaking Parliamentarians (AIPLF) shall be the Advisory Assembly of la Francophonie;

The direct operators recognized by the Summit, the list of which is annexed hereto, shall contribute in the areas of their competence to the objectives of la Francophonie as defined in the present Charter.

Article 3: The Summit

The Summit, the supreme body of la Francophonie, shall meet every two years.

It shall be presided over by the Head of State or Government of the host country of the Summit up until the following Summit.

It shall define the orientations of la Francophonie so as to ensure its influence in the world and meet its objectives.

It shall adopt any resolution it deems necessary to the successful functioning and influence of la Francophonie.

It shall elect the Secretary-General of la Francophonie pursuant to the provisions of article 6 of the present Charter.

The Secretary-General shall report to it on the execution of his mandate both in the political sphere and in that of francophone multilateral cooperation.

The presence at the Summit of the Secretary-General, the Administrator-General and the other direct operators recognized by the bodies is dealt with in annex 3.

Article 4: The Ministerial Conference

The Ministerial Conference shall comprise all the members of the Summit. Each member shall be represented by the Minister for Foreign Affairs or the Minister responsible for francophone affairs, or his delegate. The Secretary-General of la Francophonie shall attend the Ministerial Conference ex officio, without participating in voting.

The Ministerial Conference shall meet as the Conference of the Summit and the General Conference of the Agency.

The Ministerial Conference shall prepare for the Summit. It shall ensure implementation of the decisions of the Summit and take all initiatives stemming therefrom. It shall adopt the financial reports and examine the budget estimates of the Agency and the direct operators recognized by the Summit, as well as the broad lines of francophone multilateral activity.

It shall decide on the allocation and execution of the Single Multilateral Fund (SMF) referred to in articles 5 and 8.

The Ministerial Conference shall appoint the Auditor of the Single Multilateral Fund. At the request of a member State or participating Government, the Ministerial Conference shall request the Secretary-General to provide any information relating to utilization of the fund.

The Ministerial Conference shall define the terms on which the auditors of the operators are appointed, as well as the terms for monitoring the use of funds by these operators; it shall also define the terms on which the auditors of the operators shall be required to cooperate with the auditor of the Single Multilateral Fund (SMF).

The Ministerial Conference, acting as General Conference, shall appoint the Administrator-General of the Agency of la Francophonie on a proposal from the Secretary-General.

The Ministerial Conference, acting as General Conference, may decide to move the headquarters of the Agency.

The Ministerial Conference shall recommend to the Summit the admission of new members and new associate members, as well as the nature of their rights and obligations.

The operating modalities of the Ministerial Conference are the subject of annex 4 to the present Charter.

Article 5: The Standing Council of la Francophonie

The Standing Council shall be the body responsible for preparation and follow-up of the Summit, under the authority of the Ministerial Conference.

The Governing Council shall consist of personal representatives duly accredited by the heads of State or Government members of the Summit.

Only the personal representatives shall be entitled to participate except in exceptional situations, in which case they shall so inform the President of the Standing Council.

The Standing Council shall be presided over by the Secretary-General of la Francophonie. He shall rule on its proposals and support it in the discharge of its duties.

The functions of the Standing Council of la Francophonie shall be:

To ensure that the decisions of the Ministerial Conference are implemented;

To take decisions regarding allocations from the Single Multilateral Fund (SMF) and review their implementation;

To review and adopt the provisional agenda for meetings of the Ministerial Conference;

To play its leadership, coordinating and arbitral role with respect to the cooperation component as well as the political component and the economic component. To this end, it shall have three commissions: the Political Commission, the Economic Commission and the Cooperation Commission. These commissions shall be presided over by a representative of a member State or government designated by it on a proposal from the Commission in question;

To review and approve projects;

To carry out evaluations of the operators' programmes;

To perform any other duty assigned to it by the Ministerial Conference.

As necessary, the Secretary-General shall convene the Standing Council as constituted by the Summit.

The operating modalities of the Standing Council are laid down in annex V.

Article 6: The General Secretariat

A General Secretariat of la Francophonie shall be established.

The General Secretariat shall be under the authority of the Secretary-General.

The Secretary-General of la Francophonie shall be elected for four years by the heads of State and Government. His term of office may be renewed. He shall be placed under the authority of the bodies, that is to say, the Summit, the Ministerial Conference and the Standing Council of la Francophonie.

He shall be the highest official of the Agency of la Francophonie.

He shall be responsible for the secretariat of all the bodies of la Francophonie, the sessions of which he shall attend.

He shall be Executive President of the Standing Council, whose agenda he shall prepare. He shall not participate in the voting. He shall be responsible for the implementation of the measures adopted. He shall report thereon.

The status of the Secretary-General shall be international in nature. The Secretary-General shall neither seek nor receive instructions or emoluments from any Government or any external authority.

The Secretary-General shall sign international agreements. He shall, in principle, delegate this function to the Administrator-General in the case of cooperation agreements in the areas falling within the competence of the Agency. If the Secretary-General is unable to do so, the President of the Ministerial Conference shall perform this function in the case of international agreements other than cooperation agreements.

Article 7: Political functions of the Secretary-General

The Secretary-General shall be the political spokesman and official representative of la Francophonie at the international level. In exercising his prerogatives, he shall respect those of the current President of the Summit and the President of the Ministerial Conference.

In emergencies, the Secretary-General shall bring to the attention of the Permanent Council and, in the light of the seriousness of the events, the President of the Ministerial Conference, crises or conflict situations in which members may be or are involved. He shall propose specific measures to prevent them, when necessary in cooperation with other international organizations.

The bodies of la Francophonie shall give the Secretary-General general delegations of powers that stem from his status and are associated with the requirements of his duties. In particular, the Secretary-General shall decide on the sending of exploratory missions. He shall propose to the SCFC the sending of election observation missions. He shall report thereon.

The Secretary-General shall report to the Summit on the discharge of his mandate in conformity with the provisions of article 3.

Article 8: Functions of the Secretary-General relating to cooperation

The Secretary-General shall propose to the bodies, in conformity with the guidelines given by the Summit, the main lines of multilateral francophone activity. He shall do so in consultation with the Administrator-General of the Agency and with the recognized direct operators.

He shall propose the apportionment of the Single Multilateral Fund and shall order the relating budgetary and financial decisions. He shall transmit them to the Administrator-General, who is referred to in article 16.

The Secretary-General shall be responsible for leadership of the multilateral francophone cooperation financed by the SMF.

In this capacity, he shall evaluate the activity of intergovernmental francophone cooperation, as decided upon. He shall ensure harmonization of the programmes and activities of all the operators. To this end, he shall preside over a Cooperation Council comprising the Agency and the direct operators recognized by the Summit. He shall perform these functions with impartiality, objectivity and equity.

The Secretary-General shall report to the Summit on the discharge of his mandate in conformity with the provisions of article 3.

Article 9: The functioning of the General Secretariat

The Secretary-General shall be responsible for the administration and budget of the General Secretariat. He shall appoint the staff of his cabinet and designate the staff of his services. Management, including budgetary management of the staff of the cabinet, shall be under the authority of the Secretary-General.

The services of the General Secretariat shall be staffed by officials who may come either from the personnel already serving with the Agency or from personnel made available by member States, or from other personnel recruited by the Agency at the request of the Secretary-General. The staff rules and regulations of the Agency shall apply to all of these officials. Their administrative and budgetary situation shall be monitored and managed by the Agency.

Article 10: The Agency of la Francophonie

The Agency of la Francophonie shall be the principal operator of the cultural, scientific, technical, economic and legal cooperation programmes decided on by the Summit. It shall also be the legal seat of the General Secretariat and shall provide it with administrative support.

The Agency shall perform all functions relating to studies, information, coordination and action. It shall be empowered to take any action necessary in pursuit of its objectives.

It shall contribute to the development of the French language and to the promotion of the partner languages and cultures. It shall encourage peoples and la Francophonie to become better informed about each other, and shall promote dialogue among cultures and civilizations. As such, it shall be a forum for exchange and consensus-building.

It shall support the education and technical and vocational training policies of member States. It shall encourage the utilization of the new information technologies for development purposes, particularly with respect to distance learning. It shall support member States in their efforts to build and enhance the rule of law and democracy. It shall develop its programmes in a multilateral framework with a view to development, progress and economic growth.

In pursuit of its objectives, it shall perform the functions listed in annex 1.

The Agency shall cooperate with the various international and regional organizations on the basis of the recognized principles and forms of multilateral cooperation.

It shall be headed by an Administrator-General.

It may receive gifts, legacies and grants from Governments, public or private institutions or individuals.

Article 11: Participating member States and Governments

The States parties to the Niamey Convention shall be members of the Agency.

Any State which has not become a party to the Convention in the manner provided for in its articles 4 and 5 may become a member of the Agency if it has been admitted to participate in the Summit and approved as a member by the Ministerial Conference acting as General Conference of the Agency.

In full respect for the sovereignty and international competence of the member States, any government may be admitted as a government participating in the institutions, activities and programmes of the Agency, subject to the approval of the member State responsible for the territory over which the participating government concerned exercises its authority, and in accordance with the modalities agreed between that government and the Government of the member State.

Any member government of the Agency may withdraw from it by denouncing the Niamey Convention in the manner established in article 9 of the Convention.

Likewise, any member may withdraw from the Agency by notifying the Government of the country which hosted the founding Conference or the Government of the country in which the headquarters of the Agency is located at least six months before the next meeting of the General Conference. The withdrawal shall take effect upon the expiry of six months following the notification.

However, the member concerned shall remain responsible for paying the full amount of its outstanding contributions.

Article 12: Associate members

Any Government of a State which is not a party to the Convention may, at its request, be admitted by the General Conference as an associate member.

Any State wishing to associate itself with any activities of the Agency may conclude with it an agreement determining the modalities for its participation in the said activities.

The nature and scope of the rights and obligations of associate members shall be determined by the present Charter and the text adopted by the Summit.

Article 13: Headquarters

The headquarters of the Agency shall be located in Paris. It may be moved under the circumstances specified in article 4.

The Agency shall be deemed dissolved and liquidated:

(a) Either if all the parties to the Convention except one have denounced the Convention;

(b) Or if the General Conference decides to dissolve the Agency, following which the Agency shall be deemed to exist only for purposes of its liquidation.

In the event of dissolution of the Agency, its affairs shall be liquidated by liquidators appointed in conformity with article 14, who shall proceed to realize the Agency's assets and pay off its debits. The credit or debit balance shall be allocated in proportion to the respective contributions.

Article 14: The General Conference

The General Conference shall consist of all the members of the Agency. The General Conference shall guide the activity of the Agency and shall approve its work and organization programme as submitted by the Administrator-General.

It shall appoint the Administrator-General on a proposal from the Secretary-General and examine his draft contract.

It shall establish any subsidiary body required for the proper functioning of the Agency.

It shall control financial policy, and shall examine and approve the statement of accounts, the budget and the financial rules. It shall set the scales of assessed contributions and appoint the auditor. It shall appoint the liquidators. It shall take all measures required for the attainment of the Agency's goal.

It shall decide on the admission of new members to the Agency pursuant to article 11.

The operating modalities of the General Conference are specified in annex 6.

Article 15: The Governing Council

The Standing Council of la Francophonie shall be the Governing Council of the Agency. As such, it shall, by derogation from article 5, consist of the duly accredited personal representatives of the heads of States or governments which are members of the Agency.

The President shall propose the agenda.

The Governing Council shall be the executive organ of the General Conference. It shall report to the latter on the functioning of the Agency, the development of its programmes, the results of its work and the use of its budgetary resources, in accordance with the decisions of the General Conference.

It shall make all decisions necessary for the proper functioning of the Agency and its principal functions shall be:

To ensure that the decisions of the General Conference are implemented and that the activities of the Agency are conducted in accordance with those decisions;

To study the programme of work of the Agency and make appropriate recommendations to the General Conference in that regard;

To examine the financial reports and budget estimates of the Agency;

To advise the General Conference on the orientation of the general policies and financial policy of the Agency.

It shall appoint the financial controller of the Agency.

It shall make all decisions necessary for the proper functioning of the Agency.

It shall establish a programme commission and an administrative and financial commission.

The modalities for meetings and the procedures for the work of the Council and its commissions and the adoption of their decisions are set forth in annex 7.

Article 16: The Administrator-General, his status and functions

In accordance with the provisions of articles 4 and 10, the general administration of the Agency shall be placed under the authority of an Administrator-General.

The Administrator-General shall be appointed for four years by the Ministerial Conference, acting as General Conference, on a proposal from the Secretary-General. His term of office may be renewed.

The status of the Administrator-General and the staff shall be international in nature. They shall neither seek nor receive instructions or emoluments from any Government or any external authority. They shall refrain from any action which might compromise their status as international civil servants.

The Administrator-General shall propose to the Governing Council the programmes of the Agency as the principal operator of the Summit. He shall be responsible for their implementation. He shall prepare the budget reports and financial reports of the Agency, which he shall submit for the approval of the bodies.

The Administrator-General shall participate ex officio, in an advisory capacity, in the work of the General Conference and the Governing Council of the Agency. He shall prepare the decisions and ensure that they are implemented. He shall report to the bodies in that regard.

The Administrator-General shall be responsible for directing and managing the administrative and technical staff necessary for the operation of the Agency. To that end, he shall appoint and manage the staff of the Agency, in accordance with the organization plan approved by the General Conference, while respecting the financial rules; the staff regulations shall be submitted to the General Conference for approval. The geographical composition of the Agency shall be taken into account in the attribution of posts.

Under the authority of the Standing Council and its President, the Administrator-General shall prepare for the Conference of International Non-Governmental Organizations (INGO).

Similarly, the Administrator-General shall be responsible for the organization and follow-up of the sectoral Ministerial Conferences decided upon by the Summit and entrusted to the Agency.

The Administrator-General shall ensure that the payment orders issued by the Secretary-General and referred to in article 8 are executed.

Each State or government shall designate a national correspondent or a national commission to liaise with the Administrator-General.

Article 17: Regional and liaison offices

The political offices of the Agency of la Francophonie (Brussels, Geneva and New York) shall be attached to the General Secretariat and the other offices to the General Administration.

The Ministerial Conference may establish new offices located in the various geographical regions represented in the Agency or close to international institutions. It shall determine the site, composition, functions and means of financing of these offices and whether, according to their tasks, they should be attached to the General Secretariat or the General Administration.

The Ministerial Conference shall ensure that the operators are appropriately located.

Title III: Miscellaneous provisions

Article 18: The Conference of International Non-Governmental Organizations

Every two years, the Secretary-General of la Francophonie shall convene a conference of international non-governmental organizations, in accordance with the conditions, principles and modalities defined in the directives adopted by the Ministerial Conference, on a proposal from the Standing Council.

It shall entrust the preparation of the Conference to the Administrator- General.

The purpose of the Conference shall be:

To inform francophone international non-governmental organizations about the policies and programmes adopted by the Summit;

To identify the organizations that could make a practical and effective contribution to the implementation of the programmes of la Francophonie;

To conduct consultations with a view to obtaining opinions and suggestions concerning the main lines of the programmes;

To promote cooperation among organizations having common interests.

A follow-up committee, established by the Conference of International Non-Governmental Organizations and consisting of a maximum of five representatives, shall ensure liaison with the Secretary-General or the Administrator-General, according to their responsibilities, between meetings of the Conference.

Article 19: Working language

French shall be the working language of all institutions of la Francophonie, the Agency and all its organs.

Article 20: Interpretation of the Charter

Any decision concerning the interpretation of the present Charter shall be made by the Ministerial Conference, acting as General Conference of the Agency, in accordance with the provisions of article 4.

Article 21: Revision of the Charter and its annexes

The Ministerial Conference, acting as General Conference, shall be competent to amend the present Charter and its annexes, which form an integral part thereof.

The Government of the State which is president of the Summit, or the State which hosted the founding Conference, or the State in whose territory the Headquarters of the Agency is located, shall notify all members and the Secretary-General of any revision of the present Charter.

Annex 1

(See article 10)

Functions of the Agency

The Agency shall perform functions relating to studies, information, coordination and action. It shall be empowered to take any action necessary in the pursuit of the following objectives:

(a) To promote the development of the French language and the cultures which use it, in parallel with promotion of the partner languages and cultures of member States;

(b) To uphold the status of the French language in international organizations and world conferences;

(c) To support the efforts of member States and the Secretary-General to strengthen the rule of law and democracy and promote human rights;

(d) To periodically prepare and disseminate inventories of the resources of la Francophonie in all areas within its competence;

(e) To propose, as necessary, the pooling of part of the intellectual, technical and financial resources of its members for the implementation of development programmes useful to all or some of its members;

(f) To optimize the utilization of information through the use of modern information technologies;

(g) To contribute to the development of basic education, distance learning and technical and vocational training in member States;

(h) To contribute to the creation of common instruments relating to higher education, scientific and technical research and the utilization of research, for development purposes;

(i) To promote the economic advancement of member States through the realization of these objectives;

(j) To serve as a permanent forum for meetings and exchanges among specialists in various disciplines and national officials responsible for the major sectors of economic, educational, cultural, scientific and technical activity;

(k) To initiate or encourage concerted action by all members and the concentration of efforts and resources, particularly in sectors at the forefront of research, technology, energy, the environment, agriculture, education, training and communication, and in the study of development problems;

(l) To encourage member States to become better informed about each other;

(m) To make it easier for governments to gain full access to sources of bilateral and international cooperation and, as appropriate, to implement specific multilateral assistance programmes;

(n) To maintain close relations with international organizations, international non-governmental organizations and multilateral francophone associations which are active within the sphere of competence of the Agency, so as to maximize the benefits of all initiatives and coordinate common action;

(o) To perform any other function relating to the objectives of the Agency which may be entrusted to it by the Summit, the Ministerial Conference or the Standing Council of la Francophonie.

The general competence vested in the Agency with regard to cooperation shall be exercised subject to the specific mandates entrusted by the Summit to specialized recognized direct operators.

Annex 2

(See article 2)

A. The recognized direct operators of the Summit

The recognized direct operators of the Summit shall be:

L'Association des universités partiellement ou entièrement de langue française/Université des réseaux d'expression française (AUPELF/UREF) (The Association of Partially or Wholly French-Language Universities/University of French-Language Networks);

TV5, the international French-language television channel;

Senghor University in Alexandria;

L'Association internationale des maires et responsables des capitales et des metropoles partiellement ou entierement francophones (AIMF) (The International Association of Mayors and Officials of Partially or Wholly Francophone Capitals and Metropolitan Countries).

B. AIPLF

L'Assemblée internationale des parlementaires de langue française (AIPLF) (the International Assembly of French-Speaking Parliamentarians) shall be the Advisory Assembly of la Francophonie.

Pursuant to the resolution of the Mauritius Summit, mutual consultation and information shall be effected through:

The reciprocal transmittal of information, decisions, reports and other documents of AIPLF, the Summits and all bodies of la Francophonie;

Participation by AIPLF representatives in the work on specific subjects carried out by the Summits, the Ministerial Conference (MCFC) and the Standing Council (SCFC); this participation shall not entail a constant AIPLF presence during the work of the Summit and the other bodies;

Participation by representatives of MCFC and SCFC in the work of AIPLF and its commissions.

A joint SCFC-AIPLF commission shall be established, which shall meet at least twice a year at the request of the parties. A joint MCFC-AIPLF commission shall likewise be established, which shall meet at least once a year at the request of the parties.

Annex 3

(See articles 3, 4 and 5)

Presence of the Secretary-General, the Administrator-General and the other recognized direct operators in the bodies of la Francophonie and the Governing Council of the Agency

The Secretary-General shall participate ex officio in the work of all bodies of la Francophonie.

The Administrator-General shall participate ex officio in the Ministerial Conference sitting as General Conference or as Governing Council of the Agency.

Summit and Ministerial Conference

The Administrator-General and the recognized direct operators shall participate in the work relating to the cooperation component.

On the initiative of the Secretary-General, the Administrator-General shall be present during the work relating to other agenda items.

Standing Council of la Francophonie

The Administrator-General and the recognized direct operators shall be present during the work on all agenda items.

Governing Council of the Agency

The Administrator-General shall be present ex officio during the work relating to all items on the agenda of the Governing Council of the Agency. The other operators shall not be represented.

Annex 4

(See article 4)

Operating modalities of the Ministerial Conference

The Ministerial Conference shall meet once a year. In an emergency, it may meet in special session, pursuant to a request addressed to its President by at least ten of its members and at the call of the Secretary-General.

The Minister for Foreign Affairs or the Minister responsible for francophone affairs of the host country of the Summit shall be its President for one year before and one year following the Summit.

The Ministerial Conference shall adopt its own rules of procedure.

The decisions of the Ministerial Conference shall, if possible, be made by consensus. In the event of a vote, each member shall have one vote and decisions shall be made by a nine-tenths majority of the members present and voting, abstaining being considered as not voting.

Annex 5

(See article 5)

Operating modalities of the Standing Council

The Standing Council shall meet at least twice a year, but its President may convene it as necessary or at the request of two thirds of its members.

The Standing Council shall establish the venue and date of its next meeting.

The Standing Council shall, if possible, make its decisions by consensus. In the event of a vote, each member shall have one vote and decisions shall be made by a nine-tenths majority of the members present and voting, abstaining being considered as not voting.

Annex 6

(See article 14)

Operating modalities of the General Conference of the Agency of la Francophonie

The Ministerial Conference shall meet as General Conference of the Agency at least once a year.

In an emergency, the General Conference shall meet in special session pursuant to a request addressed to the President by at least one half of its members.

It may, in exceptional circumstances, be convened at the request of the Secretary-General of la Francophonie.

The General Conference shall adopt its own rules of procedure.

The decision-making procedures of the General Conference shall be the same as those of the Ministerial Conference as set forth in annex 4.

Annex 7

(See article 15)

Operating modalities of the Governing Council of the Agency of la Francophonie, its programme commission and its administrative and financial commission

The Governing Council shall meet at least once a year on the date it has established, or pursuant to a request addressed to the President by at least one third of its members.

It shall establish the venue and date of its next meeting.

The Governing Council shall adopt its own rules of procedure.

All decisions of the Governing Council shall, if possible, be made by consensus.

In the event of a vote, each member shall have one vote and the decisions of the Governing Council shall be made by a nine-tenths majority of the members present and voting, abstaining being considered not voting.

The Secretary-General shall not have the right to vote.

Programme Commission

1. The Governing Council shall establish a programme commission open to all its members.

2. The main task of the Programme Commission shall be to help the Governing Council to define the nature of the operations of the Agency and the means of implementing its programme of work.

3. To that end, it shall examine and express an opinion on the projects submitted by the Administrator-General in the context of his efforts to define the actions of the Agency and shall also examine the projects prepared by the Agency.

Administrative and Financial Commission

1. The Governing Council shall establish an administrative and financial commission open to all its members.

2. The Administrative and Financial Commission shall help the Governing Council to supervise the administrative and financial management of the Agency; to that end, it shall advise the Administrator-General on the application of the financial rules.

3. In order to carry out its task the Commission shall, in particular, perform the following functions:

(a) Examine the budget estimates prepared by the Administrator-General;

(b) Supervise the implementation of the budgets of the Agency, notably by examining the transfer of credits from section to section and payments to the reserve fund;

(c) Take note of the reports of the Auditor and the Financial Controller;

(d) Study the scale of assessments;

(e) Examine the salary scale of the staff of the Agency and the provisions of the staff regulations and rules, when the latter have financial implications;

(f) Advise the Administrator-General on the deposit and investment of funds;

(g) Prepare the draft contract of the Administrator-General.

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GENERAL ASSEMBLY
Fifty-third session
Agenda item 41
THE SITUATION IN BOSNIA AND HERZEGOVINA

SECURITY COUNCIL
Fifty-third year

Letter dated 24 November 1998 from the Permanent Representatives of Bosnia and Herzegovina and Croatia to the United Nations addressed to the Secretary-General

We have the honour to bring to your attention that the President of the Republic of Croatia, Franjo Tuđman, and the President and Vice-President of the Federation of Bosnia and Herzegovina, Ejup Ganić and Vladimir Šoljić, signed, on 22 November 1998, the Agreement on the Establishment of Special Relations between the Republic of Croatia and the Federation of Bosnia and Herzegovina (see annex I), and that the President of the Republic of Croatia, Franjo Tuđman, and the President of the collective presidency of Bosnia and Herzegovina, Alija Izetbegović, signed, on 22 November 1998, the Agreement on Free Transit through the Territory of Croatia to and from the port of Ploče and through the Territory of Bosnia and Herzegovina in Neum (see annex II). The agreements were signed following the inaugural session of the Croatian-Bosnian Interstate Council for Cooperation.

We have the honour to request that the present letter and its annexes be distributed as a document of the General Assembly, under agenda item 41, and of the Security Council.

(Signed) Muhamed SACIRBEY
Ambassador
Permanent Representative
of Bosnia and Herzegovina

(Signed) Ivan ŠIMONOVIĆ
Ambassador
Permanent Representative
of the Republic of Croatia

Annex I

Agreement on the Establishment of Special Relations Between the Republic of Croatia and the Federation of Bosnia and Herzegovina

Convinced that a consistent, full and expedited implementation of the General Framework Agreement for Peace in Bosnia and Herzegovina and its annexes (hereinafter: the Peace Agreement) makes the basis for the creation of conditions for the lasting coexistence of the Croatian and Bosniak peoples, as well as other peoples and all citizens of the Federation of Bosnia and Herzegovina (hereinafter the B-H Federation), and also for the establishment of close special relations and development of cooperation between the Republic of Croatia and the Federation, initiated by the Washington Agreements, in the interest of ensuring lasting peace and stability in this part of Europe;

Starting from the sovereignty, territorial integrity and political independence of Bosnia and Herzegovina, and with regard to the Peace Agreement, in particular Article V and Annex 4 thereof;

Affirming the readiness to regulate the relations between the Republic of Croatia and the B-H Federation through special institutionalized and other forms of cooperation, in conformity with the commitments of the signatories of the Peace Agreement;

Convinced that the strengthening of cooperation and links between the Republic of Croatia and the B-H Federation contributes to their lasting overall social, democratic and economic development, as envisaged by the Washington Agreements;

Wishing to establish aforementioned principles and objectives, in accordance with the Washington Agreements of 18 March 1994 and Peace Agreement signed in Paris on 14 December 1995, the Republic of Croatia and the B-H Federation have reached

The Agreement on Establishment of Special Relations

Article 1

The Republic of Croatia and the B-H Federation hereby establish their special relations, the objective of which is to gradually build up an ever developing institutionalized cooperation, as well as other forms of mutual cooperation, depending upon the general political and economic conditions, and upon the respect of special interests of the Republic of Croatia and the B-H Federation.

Article 2

The special relations under the Article 1 of this Agreement refer to the promotion of the fully transparent cooperation of executive, legislative and other institutions of the Republic of Croatia and the B-H Federation, in accordance with the Peace Agreement and the Constitutions of the B-H Federation and Bosnia Herzegovina in the following fields:

1. economic cooperation and trade, promotion of joint investments, particularly into the fields of traffic infrastructure, communications and telecommunications, development and cooperation in the exploitation of industrial, energy, agricultural and other potentials and capacities;
2. promotion and cooperation in the field of planning and economic policy, and cooperation in development and reconstruction;
3. cooperation in the field of legislation;
4. cooperation in the implementation of privatization and denationalization;
5. cooperation in the field of science and technology, education, culture and sport;
6. cooperation in the field of social policy and health;
7. cooperation in the field of tourism, environmental protection and exploitation of natural resources;
8. cooperation in the field of information;
9. cooperation in the development of regional and local administration and self-government;
10. cooperation in resolving of property issues;
11. cooperation in combating crime;
12. cooperation in the field of defence (education, equipping, joint production etc.), to an extent which shall be in accordance with the territorial integrity and sovereignty of Bosnia and Herzegovina and the Peace Agreement;

13. promotion of cooperation between the non-governmental organizations;

14. in accordance with the provisions of Washington and Peace Agreements, the Parties, within the limits of their authorities, shall strive towards the establishment of an European traffic corridor from the Ploče port to the northern border of Bosnia Herzegovina, and they agree upon a need to construct the road Dubrovnik-Ploče-Bihać-Zagreb (through Neum). The Parties shall establish joint associations for the harmonization of infrastructure construction and the flow of land traffic in terms of connecting the Republic of Croatia and the B-H Federation.

Article 3

For the purpose of implementing the special relations between the Republic of Croatia and the B-H Federation, a Joint Council for Cooperation between the Republic of Croatia and the B-H Federation (hereinafter: the Council) shall be established.

The Council prepares and adopts proposals and recommendations for the relevant executive, legislative, scientific, cultural and other institutions of the Republic of Croatia and the B-H Federation.

Article 4

The Council consists of the President of the Republic of Croatia, and the President and Vice-President of the B-H Federation. The Council appoints a Standing Committee composed of six (6) members. The Republic of Croatia shall be represented in the Standing Committee by the Prime Minister, one of the Deputy Prime Ministers and one relevant Minister, while the B-H Federation shall be represented by the Prime Minister, Deputy Prime Minister of the B-H Federation and a relevant Minister.

The Council and the Committee adopts proposals and recommendation by consensus.

The Council shall adopt its Rules of Procedure.

The Parties shall nominate the Standing Committee members within fifteen (15) days following the signing of this Agreement.

Article 5

For the purpose of ensuring the harmonization and efficiency in its work, the Council shall nominate two Secretaries, one from the Republic of Croatia and the

other from the B-H Federation.

The Secretaries are responsible for their work to the Council. They harmonize the preparations for the Council sessions and ensure the efficient implementation of its proposals and recommendations, in cooperation with the relevant bodies of the Republic of Croatia and the B-H Federation.

Pursuant to a Council decision, the Secretaries shall prepare a proposal of the Rules of Procedure.

Article 6

The sessions of the Council shall be held, as a rule, once every three months, alternatively in the Republic of Croatia and in the B-H Federation.

The Standing Committee shall meet as necessary.

Article 7

The Council shall regularly inform the public by means of press statements on its proposals and recommendations.

Article 8

The Parties shall work towards implementing the cooperation foreseen in this Agreement at the level of regions, cantons, cities and municipalities, economic entities and various non-governmental organizations.

Article 9

For the purpose of extending the cooperation in the legislative field, there shall be regular contacts between the relevant bodies of the Croatian State Parliament and the Parliament of the B-H Federation.

Article 10

The Parties shall sign the Annexes to this Agreement, by the 1st of July 1999, for the purpose of working out in detail the implementation and taking the steps necessary for the implementation of the cooperation at the fields envisaged by the

Article 2 of this Agreement.

The Parties will welcome the assistance of the Office of the High Representative in facilitating the timely completion of the Annexes from the Paragraph 1 of this Article.

The Annexes from the Paragraph 1 of this Article shall enter into force at the day of their signing, but not later than 1st of July 1999.

Article 11

The Parties agree to initiate the activities aiming to harmonize the agreements signed so far between the Republic of Croatia and the Republic of Bosnia and Herzegovina, which are being implemented on the territory of the B-H Federation, with the Peace Agreement and this Agreement, or to replace them.

For any existing agreement from the Paragraph 1 of this Article which will be found as not being in accordance with the Peace Agreement, the Constitution of Bosnia Herzegovina or the Constitution of the B-H Federation, a process of drafting the appropriate annexes to this Agreement or of harmonizing the aforementioned agreements will be initiated not later than three months following the signing of this Agreement.

If the process of harmonizing the agreements, or of replacing them, will not be agreed within that time-frame, and if the reason of disagreement will be the differences between the Croatian and Bosniak representatives in the B-H Federation, the Parties agree that the representatives of the B-H Federation will accept the assistance and arbitration of the Office of the High Representative in resolving these differences, in order to harmonize the agreements or agree the annexes by the 1st of July 1999.

If the process of harmonizing the agreements, or agreeing the annexes will not be completed by that date, the Parties agree that the existing agreements may remain in force until the 1st of September 1999.

Article 12

The Parties confirm their readiness to resolve all questions of vital interest by consensus of the Croatian and Bosniak peoples, through the relevant institutions in accordance with the provisions of the Constitution of the B-H Federation, for the purpose of ensuring an effective functioning of the B-H Federation and effective implementation of the Agreement on special relations between the Republic of Croatia and the Federation of Bosnia and Herzegovina.

Article 13

Once mutually signed, the Agreement shall be applied on a provisional basis and shall enter into force thirty (30) days after receipt of the last notification that all conditions required by internal legislation are fullfilled by each of the Contracting Parties for entry into force of the Agreement.

The Parties take the obligation to finalize the process of ratifying this Agreement within three (3) months from the day of its signing.

Done at Zagreb on 22 November 1998, in two (2) original copies, each in the Croatian language for the Republic of Croatia and for the Federation of Bosnia and Herzegovina in the official languages - Bosnian language and Croatian language, with each text being equally authentic.

For the Republic of Croatia **For the B-H Federation**

Annex II

AGREEMENT

ON FREE TRANSIT THROUGH THE TERRITORY OF THE REPUBLIC OF CROATIA TO AND FROM THE PORT OF PLOČE AND THROUGH THE TERRITORY OF BOSNIA AND HERZEGOVINA AT NEUM

The Republic of Croatia (hereinafter Croatia) and Bosnia and Herzegovina (hereinafter "the Parties"),

Proceeding from common interests in the development of overall bilateral cooperation on an equal and mutually beneficial basis, with the intention of contributing to the improvement of neighborly relations between the two States, and to the strengthening of mutual friendship, understanding and confidence, to the reinforcement of peace and stability with full respect for the political independence, sovereignty and territorial integrity of Croatia and Bosnia and Herzegovina;

Recalling the provisions of the United Nations Convention on the Law of the Sea (1982), the Convention and Statute on the International Regime of Maritime Ports (1923), and other relevant international agreements;

Noting that at all times in the spirit of mutual respect and confidence building, the Parties shall endeavor to resolve all disputes between them amicably and by mutual agreement;

HEREBY AGREE AS FOLLOWS:

Article 1
Definitions

"Traffic in transit" means transit of persons, baggage, goods and means of transport:

(a) to and from Bosnia and Herzegovina through the territory of Croatia for the utilization of the Port of Ploče; and

(b) to and from Croatia through the territory of Bosnia and Herzegovina for use of the Neum corridor.

"Means of Transport" includes sea and river vessels, road and rail vehicles, aircraft and other means.

I. TRAFIC IN TRANSIT

Article 2
Free and Unimpeded Transit

Croatia shall grant to Bosnia and Herzegovina free and unimpeded transit to traffic in transit for utilization of the Port of Ploče.

Bosnia and Herzegovina shall grant to Croatia free and unimpeded transit to traffic in transit through the Neum corridor.

Article 3
Duties, Taxes, and Other Charges

No duties, custom fees, taxes or other related fees shall be levied on traffic in transit except charges levied for specific services rendered in connection with such traffic.

Article 4
Charges for use of Port Facilities and Labor

Charges levied by the Port Authority of Ploče, in accordance with Article 3, may include charges for operation and maintenance of port facilities and equipment, charges related to cost of debt service for new construction, renovation, and replacement of facilities and equipment and other related costs. Such charges shall, however, not exceed the recovery of costs incurred for such services and shall be no higher than those charged for similar services at comparable Adriatic ports.

Wages and other labor costs at the Port of Ploče shall be no higher than those at other Croatian ports and shall be subject to Croatian labor law.

Article 5
Documentation

The Parties shall use simple documentation in accordance with international practice and apply expeditious methods with respect to administrative procedures regarding traffic in transit.

Article 6
Inspection

1. If either Party has doubts about the authenticity of documents or the legality of traffic in transit through their territory they may request that the shipment be inspected. Such inspection shall be conducted by the European Commission Customs and Fiscal Assistance Office (henceforth "EC-CAFAO") accompanied by the customs authorities of the Party on whose territory the goods are awaiting inspection. Normally inspections will be made on the territory of Bosnia and Herzegovina unless Croatia requests inspection within Croatia.

2. In the event inappropriate documentation or illegal traffic is found, EC-CAFAO will provide a written summary of its findings to the relevant customs authority at the time of inspection for its further action in accordance with applicable domestic law.

3. If no inappropriate documentation or illegal traffic is found then the costs of the inspection will be borne by the requesting Party.

4. Inspections shall not be used to halt or delay bona fide traffic. The Parties shall ensure that traffic not being inspected proceed without delay.

5. EC-CAFAO will carry out this function until the expiration of its mandate at which time the Parties will re-negotiate the modalities of inspection.

II. FREE AND FOREIGN TRADE ZONE AT PLOČE

Article 7
Free and Foreign Trade Zone Ploče

1. So as to enable commercial enterprises of the various users of the Port of Ploče to have access to the facilities and accommodations normally available in a free and foreign trade zone, such as the ability to store, restore, classify, package, repackage, label, assemble, disassemble, process, manufacture, or reassemble goods, without such activities being subject to any tax regime except as provided for in Article 7(2)(c), Croatia shall establish a Free and Foreign Trade Zone ("Zone").

2. (a) The Zone shall be available for use by commercial enterprises from Croatia, Bosnia and Herzegovina, and other port using countries in an equal and non-discriminatory fashion, except as to those advantages and protections stipulated for Bosnia and Herzegovina in this Agreement.

(b) The Zone shall initially be of such a size as to accommodate commercial demand, and will be expanded based upon such demand, taking into account urban planning and ecological constraints.

(c) No duties, taxes or other charges shall be charged to users of the Zone, except for the following:

(i) commercial fees for use of facilities as described in Article 7(2)(d);
(ii) other taxes and payments that each Party chooses to apply to its respective enterprises; and
(iii) goods leaving the Zone which shall be subject to the customs regime of the country into which they are imported.

(d) The users of the Zone shall enter into agreements with the Port Authority which shall give users the right to develop and use appropriate facilities needed for all activities referred to in Article 7(1). Compensation and fees for facilities or services within the Zone will be based upon cost recovery by the Port Authority for operations, maintenance, and debt service on new construction, renovation, or replacement of facilities or equipment within the Zone, and may not be less favorable than existing comparable charges in other such Zones in Croatia. Activities carried out within the Zone shall not receive in any way less favorable treatment than activities outside the Zone.

(e) Management of the Zone shall be by the Port Authority. Decisions of the Port Authority affecting the Zone are subject to review by the Commission pursuant to Article 9. Accounting and financial records covering Zone operations and construction of facilities shall be kept according to international accounting and financial standards. When those records are used as the basis to determine charges, such records shall be made available to users of the Zone.

(f) The provisions regarding traffic in transit in Article 2 of this Agreement shall apply to the Zone. In particular, goods and cargo entering or leaving the Zone shall be given free and unimpeded access to the docks and other facilities of the Port and to ships and other modes of transportation using these facilities.

III. PORT AUTHORITY AND COMMISSION

Article 8
Port Authority

The Board of the Port Authority shall consist of thirteen (13) members, five (5) of whom will be appointed by Bosnia and Herzegovina, and will include representatives of the shippers and users.

Article 9
Commission

1. The Parties shall establish a seven (7) member Commission to supervise, monitor, interpret, and arbitrate the implementation of this Agreement. The Commission will be the final decision-making authority regarding these matters. The Commission will also be the appellate body and final decision-making authority for decisions of the Port Authority regarding personnel, management, charges, rules and regulations and any other decisions of the Port Authority, except for those matters not affecting Bosnia and Herzegovina and, in particular, commercial enterprises of Bosnia and Herzegovina utilizing the Port and the Zone. If three (3) members of the Port Authority Board so request, the Commission will review any decision or ruling of the Port Authority on any matter regarding implementation, including interpretation of the Agreement.

2. Each Party shall nominate three (3) members of the Commission. The Parties shall request that the International Tribunal for the Law of the Sea nominate the seventh member of the Commission to serve as President of the Commission. If the International Tribunal for the Law of the Sea does not nominate a President within sixty (60) days of the signing of this Agreement, the Parties shall request the International Court of Justice (henceforth "ICJ") to nominate an interim president. Should the ICJ fail to nominate an interim president within a further sixty (60) days, the Parties shall request the International Chamber of Commerce to do so. The interim president shall serve until the International Tribunal for the Law of the Sea nominates a seventh member of the Commission to serve as President. Decisions of the Commission shall be reached by a consensus of the members appointed by the Parties. If consensus cannot be reached among the six (6) members appointed by the Parties, the President of the Commission will make the final decision. The decisions of the Commission shall take precedence over any decision of the Port Authority and shall be binding on the Port Authority and on the Parties.

IV. FINAL PROVISIONS

Article 10

With respect to activities undertaken in accordance with this Agreement, the Parties shall not discriminate on the basis of the origin, legal possession, ownership, entrance, exit, and destination of traffic in transit and activities in the Zone.

Article 11

Relevant domestic and international law shall apply to all the issues which are not regulated in this Agreement. This Agreement shall not compel the Parties to grant transit rights contrary to international agreements to which they are Parties or contrary to applicable environmental, health and safety regulations.

Article 12

Upon signature by the Parties, the present Agreement shall be provisionally applied and the "Agreement on the implementation of the agreement between the Republic of Croatia and the Federation of Bosnia and Herzegovina providing passage of Croatia through the territory of the Federation" and the "Agreement on the implementation of the agreement providing access of the Federation of Bosnia and Herzegovina to the Adriatic through the territory of the Republic of Croatia" signed in Zagreb on May 11, 1996 (henceforth "the Agreements") shall provisionally cease to be applied.

Article 13

The present Agreement shall enter into force thirty (30) days after the receipt of the last note via diplomatic channels in which the Parties inform each other that all the requirements of national legislation for the entry into force of the present Agreement are fulfilled. The Parties undertake that, after having signed this Agreement, they shall carry out the procedures for its entry into force as quickly as possible.

This Agreement shall remain in force for thirty (30) years.

Upon entry into force of this Agreement, the Agreements referred to in Article 12 shall cease to be in effect.

Article 14

Each Party may propose amendments to this Agreement. Negotiations regarding such a proposal shall commence within sixty (60) days of notification of such a proposal to the other Party through diplomatic channels.

Done in Zagreb this 22nd day of November 1998, in the Croatian language, in the official languages of Bosnia and Herzegovina and the English language, which shall be equally authentic.

FOR THE REPUBLIC OF CROATIA

FOR BOSNIA AND HERZEGOVINA